

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

WZ-03912A
Sunizona Water Company
5416 E. Hwy 181
Pearce AZ 85625

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
----	----	------

ARIZONA CORPORATION
COMMISSION

RECEIVED
MAR 18 2003

Director of Utilities

*Entered
3-18-03
C.M.*

FOR COMMISSION USE

ANNO4 02

18 MAR 2003

COMPANY INFORMATION

Company Name (Business Name) <u>Sunizona Water Co.</u>		
Mailing Address <u>5416 E. Hwy 181</u>		
<u>Pearce</u> (City)	<u>Arizona</u> (State)	<u>85625</u> (Zip)
<u>520 824 3616</u>	<u>← Same as phone</u>	<u>520 400-4011</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>dbales@vte.net</u>		
Local Office Mailing Address <u>5416 E Hwy 181</u>		
<u>Pearce</u> (City)	<u>Arizona</u> (State)	<u>85625</u> (Zip)
<u>520 824 3616</u>	<u>—</u>	<u>—</u>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>—</u>		

MANAGEMENT INFORMATION

Management Contact: <u>NARVOL DEAN BALES</u>			<u>OWNER</u>
(Name)			(Title)
<u>5416 E Hwy 181</u>	<u>Pearce</u>	<u>Arizona</u>	<u>85625</u>
(Street)	(City)	(State)	(Zip)
<u>520 824-3616</u>	<u>—</u>	<u>—</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>NARVOL DEAN BALES</u>			
(Name)			
<u>5416 E Hwy 181</u>	<u>Pearce</u>	<u>Arizona</u>	<u>85625</u>
(Street)	(City)	(State)	(Zip)
<u>520 824 3616</u>	<u>—</u>	<u>—</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>dbales@vte.net</u>			

Statutory Agent: NARVOL DEAN BALES
 (Name)

5416 E Hwy 181 Pearce, Arizona 85625
 (Street) (City) (State) (Zip)

520 824 3614 - -
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: N/A
 (Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|--|--|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	-	-	-
302	Franchises	-	-	-
303	Land and Land Rights	-	-	-
304	Structures and Improvements	1,250. ⁰⁰	30.63	1,219.37
307	Wells and Springs	15,031.67	446.44	14,585.23
311	Pumping Equipment	15,420. ⁰⁰	778.78	14,641.22
320	Water Treatment Equipment	-	-	-
330	Distribution Reservoirs and Standpipes	1,535.90	27.65	1,508.25
331	Transmission and Distribution Mains	23,965. ⁰⁰	23,965. ⁰⁰	-
333	Services	3,946.50	116.81	3,829.69
334	Meters and Meter Installations	1,315.50	50.25	1,265.25
335	Hydrants	-	-	-
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Equipment	1,200. ⁰⁰	61.68	1,138.32
341	Transportation Equipment	5,300. ⁰⁰	1,060. ⁰⁰	4,240. ⁰⁰
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	160. ⁰⁰	80. ⁰⁰	80. ⁰⁰
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	500. ⁰⁰	25.20	474.80
348	Other Tangible Plant	-	-	-
	TOTALS	11,064.59	26,642.38	44,422.21

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	—	—	—
302	Franchises	—	—	—
303	Land and Land Rights	—	—	—
304	Structures and Improvements	1,250. ⁰⁰	2.45	30.63
307	Wells and Springs	5,031.67	2.97	446.44
311	Pumping Equipment	15,420. ⁰⁰	5.05	778.72
320	Water Treatment Equipment	—	4.30	—
330	Distribution Reservoirs and Standpipes	1,535.90	1.80	27.65
331	Transmission and Distribution Mains	2,3965. ⁰⁰	2.20	23965. ⁰⁰
333	Services	3946.50	2.96	116.81
334	Meters and Meter Installations	1315.50	3.82	50.25
335	Hydrants	—	—	—
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	—	—	—
340	Office Furniture and Equipment	1,200. ⁰⁰	5.14	61.68
341	Transportation Equipment	5,300. ⁰⁰	20. ⁰⁰	1,060. ⁰⁰
343	Tools, Shop and Garage Equipment	—	4.95	—
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	1600. ⁰⁰	5%	80. ⁰⁰
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	500. ⁰⁰	5.04	25.20
348	Other Tangible Plant	—	5.64	—
	TOTALS	11,064.59	65.77%	26,642.38

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2,106.42	\$ 1,010.49
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$	\$ 1,010.49

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$

N/A

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 15,563.28	\$ 17,312. ⁰⁰
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 510. ⁰⁰	\$ 3,892. ⁰⁰
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	- - -	1456.49
621	Office Supplies and Expense	126.76	
630	Outside Services		160. ⁰⁰
635	Water Testing	300. ⁰⁰	300. ⁰⁰
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	-	173. ⁰⁰
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes	726. ⁰⁰	1452.12
409	Income Tax	0	50. ⁰⁰
	TOTAL OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$	\$

175,261.00

25,395.61

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 00-

Meter Deposits Refunded During the Test Year \$ 00-

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-04-02036	15	80	440	12	3	1963
55-04-02036	10	55	440	12	3	1963

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

NA

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
3,000	1	5,000	

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	D/C	6800
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	25
3/4	2
1	4
1 1/2	1
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

OTHER:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	34	195,531	2,235,190
FEBRUARY	32	187,272	2,497,980
MARCH	35	257,103	2,746,270
APRIL	35	278,958	3,053,580
MAY	33	338,994	3,406,110
JUNE	32	455,442	3,791,320
JULY	34	380,026	4,304,710
AUGUST	33	319,747	4,786,960
SEPTEMBER	33	308,432	5,209,640
OCTOBER	32	270,655	5,613,700
NOVEMBER	33	202,364	6,013,630
DECEMBER	33	183,973	6,019,701
TOTAL		N/A	49,678,791
3378497			

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. .003 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____ YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 1,289.89

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME _____

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____

Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____

Estimated or Actual State Tax Liability _____

50.00

Amount of Grossed-Up Contributions/Advances: _____

Amount of Contributions/Advances _____

Amount of Gross-Up Tax Collected _____

Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

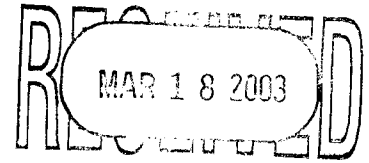
CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

* M. D. Bales
SIGNATURE2-25-03
DATE* M. D. Bales
PRINTED NAMEOwner
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>COCHISE</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>NARVOL DEAN BALES</u>
COMPANY NAME	<u>SUNIZONA WATER CO.</u>

Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 17,312.⁰⁰

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 17,312.⁰⁰
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

* N. D. Bales
SIGNATURE OF OWNER OR OFFICIAL
520 824-3616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS March 13, 2003 DAY OF

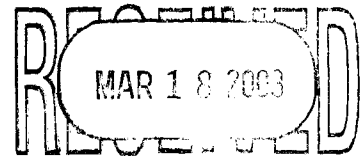
(SEAL)

MY COMMISSION EXPIRES May 14, 2006

COUNTY NAME	<u>Cochise</u>	
MONTH	<u>March 13</u> 2003	
SIGNATURE OF NOTARY PUBLIC		

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Cochise</u>		Director of Utilities
NAME (OWNER OR OFFICIAL) <u>NARVOL DEAN BALES</u>	TITLE <u>owner</u>	
COMPANY NAME <u>Sanizona Water Co.</u>		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 17,312.00

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 17,312.00
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

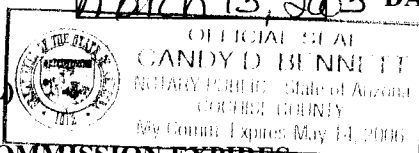
* N. D. Bales
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS March 13, 2003 DAY OF

(SEAL)



MY COMMISSION EXPIRES

May 14, 2006

NOTARY PUBLIC NAME <u>Candy D. Bennett</u>	
COUNTY NAME <u>Cochise</u>	
MONTH <u>March 13</u>	20 <u>03</u>

x Candy D. Bennett
SIGNATURE OF NOTARY PUBLIC



02-925-95-304-4
SUNIZONA WATER COMPANY

HC 1 BOX 30-6 5416 E Hwy 181
PEARCE, AZ 85625
520-824-3616

1121

91-525/1221

Date 9-20-02

Pay to the order of Marsha Bonham \$ 563.83
Five hundred Sixty-three ⁸³/₁₀₀ Dollars



SUNSTATE BANK
Sunsites Office
155 Frontage Road
Pearce, Az 85625

For 1st 1/2 of Taxes

M. E. Bales

⑈001121⑈ ⑆122105252⑆ ⑈6011801097⑈

⑈0000056383⑈



SUNIZONA WATER COMPANY

HC 1 BOX 30-6
PEARCE, AZ 85625
520-824-3616

1083

91-525/1221

Date 3-30-02

Pay to the order of Marsha Bonham \$ 726.00
Seven hundred & twenty six ⁰⁰/₁₀₀ Dollars



SUNSTATE BANK
Sunsites Office
155 Frontage Road
Pearce, Az 85625

For Acct Id # 925-95-304 4

M. E. Bales

⑈001083⑈ ⑆122105252⑆ ⑈6011801097⑈

⑈0000072600⑈

Cleared through Bank info.
M Bales

✓
1520100010005640002 4405 10 04 03 02
SUNSTATE BANK >122105252<
CASA GRANDE, ARIZONA
6142901012

AP 02

1520100010005640002
CASA GRANDE, ARIZONA

04/03/02
LAFFRE RCPCHS1
1220-0016-6

22421972

0 1 2 3 4 5 6 7 8 9

1010
1010
1010

2 07

1010
1010
1010